

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF REVIEWING THE)
ADMINISTRATOR’S 2015 ANNUAL) CASE NO. GNR-T-16-02
REPORT AND ESTABLISHING THE)
FUNDING LEVELS TO SUPPORT THE)
TELECOMMUNICATIONS RELAY) ORDER NO. 33481
SERVICE (TRS) PROGRAM)**

On February 1, 2016, the Idaho Telecommunications Relay Service (TRS) Administrator submitted the calendar year 2015 Annual Report to the Commission. Each year, the Commission reviews the Administrator’s Annual Report and determines the appropriate funding levels necessary to meet the TRS program’s expenses on a prospective basis. IDAPA 31.46.02.202 and .205. In this Order we accept the Administrator’s 2015 Report and maintain the TRS contributions at their current levels effective April 1, 2016.

BACKGROUND

The Idaho Legislature established the TRS Act in 1992 in accordance with Title IV of the federal Americans with Disabilities Act. The TRS program allows citizens who are hearing or speech impaired to engage in telephone communications “in a manner functionally equivalent to that of individuals without hearing or speech impairments.” *Idaho Code* § 61-1301. The Idaho TRS service provider is Hamilton Telecommunications. Hamilton operates the relay center where oral conversations are converted or “relayed” to text-type and vice versa. The relay center also provides speech-to-speech, Spanish-to-Spanish, video, and Internet relay services. Hamilton’s relay contract will expire this year.

The Idaho TRS fund is supported by assessments on local telephone service (residential and business) access lines and on billed intrastate long-distance minutes. In-state relay traffic and captioned telephone (CapTel)¹ services are reimbursed by Idaho’s TRS fund, while the firm of Rolka Loube Saltzer Associates, LLC reimburses Hamilton for interstate calls (including intrastate Internet relays and Internet video relay service).

¹ CapTel allows hard-of-hearing users to hear the conversation as well as read the words on the phone’s built-in screen. A trained operator “re-voices” the conversation from a caller into the voice recognition technology that converts the words into a text message and provides the CapTel user with a more natural conversation.

THE 2015 ANNUAL REPORT

The Administrator reported that the relay center handled 21,397 minutes of traffic in calendar year 2015. This represents a 30% decrease from calendar year 2014.² The number of CapTel sets increased by 3%, while usage decreased by 12% to 27,216 minutes from the previous year. The 2015 average answer time by Hamilton was 0.43 seconds.

1. 2015 Expenses. TRS expenses for 2015 totaled \$124,566. The Administrator reported that disbursements to Hamilton in 2015 were \$85,515 (compared to \$108,394 in 2014). The administrative fees and expenses for 2015 were \$39,051 (compared to \$38,849 in 2014), and included the 2014 third-party audit expense of \$6,480. The TRS fund's 2015 year-end balance was \$291,611.

2. 2015 Revenues and Allocations. During 2015, the average monthly number of telephone access lines reported to the TRS Administrator was 377,860, a decrease of about 1% from 2014. The number of intrastate toll minutes for 2015 increased 17% to about 205.4 million minutes. The table below shows 2015 TRS contribution sources and amounts.

<u>2015 Revenue Sources</u>	<u>Amount</u>	<u>Percentage of Total</u>
Local Service Providers (\$0.02/month/line)	\$75,575	65%
MTS/WATS Providers (\$0.0002/min)	41,081	35%
TOTAL	\$116,656	100%

The 2015 total TRS fund contributions of \$116,656 is an 8% decrease from 2014.

3. Proposed 2016 Budget. The Administrator projected an annual operating budget of \$97,840. The budget reflects a continued decline in traditional relay usage. If the assessment rates remain the same, the Administrator calculates that the 2016 end-of-year fund balance will remain near current levels.

4. Proposed 2016 TRS Funding Levels. Based upon the proposed budget for 2016 and current reserves, the Administrator recommended that the existing TRS funding levels be maintained for 2016. He recommended the per-line assessment be continued at \$0.02 per month,

² By way of comparison, there were 38,724 minutes of traffic in 2013 and 32,254 minutes in 2014.

and the per-minute assessment for intrastate toll minutes be continued at \$0.0002 per minute. This will maintain a cushion if unexpected expenses or changes occur.

STAFF RECOMMENDATION

Following its review of the Administrator's Report, Staff recommended the Commission adopt the Report and the Administrator's projected budget for 2016. Staff also reported on FCC actions which may affect Idaho's TRS program.

The FCC regulates and funds a nationwide TRS program, which compensates carriers that provide interstate TRS over traditional wireline facilities, as well as Voice over Internet Protocol (VoIP) services.³ One form of TRS that uses VoIP is the Internet Protocol Captioned Telephone Service (IP-CTS). Staff advised that, at the 2015 National Association of Relay Administrators conference, the FCC indicated it continues to assess the merits of transferring fiscal and operational responsibility for IP-CTS from the FCC to the states.⁴ Idaho does not administer IP-CTS and does not currently have a funding mechanism in place if the FCC transfers responsibility for oversight and funding of this program to state jurisdictions.

Staff also noted that it and the Administrator continue to monitor trials and experiments that the FCC has approved for preserving traditional communications-related values, such as public safety, consumer protection, competition, and universal access. These experiments include changes to the TRS, which will have a direct impact on the Idaho relay. Idaho's current Time-Division Multiplying (TDM) relay system and the users' equipment are not compatible with an IP-based, packet-switched network. Staff indicated it will advise the Commission should the FCC require state TRS networks to partially or fully transition to the IP TRS model.

DISCUSSION AND FINDINGS

In this Order, the Commission formally adopts the Administrator's 2015 Annual Report. Based upon our review of the Report, we find that the 2015 expenses are reasonable. Idaho citizens continue to be well served by the Administrator and the relay services provided by Hamilton Telecommunications.

³ Report and Order and Further Notice of Proposed Rulemaking, *In the Matter of Misuse of Internet Protocol Captioned Telephone Service and Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, 28 F.C.C.R. 13,420 (Aug. 26, 2013).

⁴ *Id.* at ¶ 4.

The Commission also finds that the 2016 budget projection of \$97,840 is reasonable based upon the anticipated TRS expenses this year. The Commission further finds that the projected revenue together with the current fund balance should be sufficient to meet 2016 expenses.

Based upon our review of the Annual Report and the Staff's recommendations, we find that it is just and reasonable to maintain the TRS contributions at their current funding levels. The TRS contributions shall be set at \$0.02 per access line per month and \$0.0002 per intrastate MTS/WATS minute. The Commission further finds that the projected 2016 allocation between local service and toll service is just and reasonable given the estimates in the number of access lines and toll minutes.

ORDER

IT IS HEREBY ORDERED that the 2016 TRS funding obligation of telephone corporations providing local service in Idaho be maintained at the existing level of \$0.02 per month per access line.

IT IS FURTHER ORDERED that the 2016 TRS funding obligation for telephone corporations providing intrastate MTS/WATS service be maintained at the existing level of \$0.0002 per intrastate billed minute.

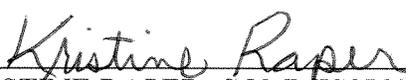
IT IS FURTHER ORDERED that the TRS Administrator continue to monitor expenditures, revenues, and FCC actions. Any time it appears that revenues will not cover expenditures, the TRS Administrator is to immediately notify the Commission so we may evaluate whether changes in the existing TRS funding obligations are necessary.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. GNR-T-16-02 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* §§ 61-626, 61-1305, and 62-619.

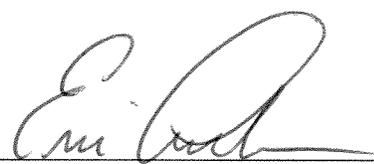
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 11th
day of March 2016.



PAUL KJELLANDER, PRESIDENT

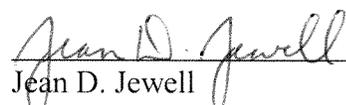


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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